



Director of  
Central  
Intelligence

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National Intelligence Daily

Wednesday  
16 July 1986

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~~Top Secret~~

16 July 1986

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INDIA:

Security Priorities for Punjab

*The postponement yesterday—for the third time—of the transfer of territories between the states of Punjab and Haryana suggests that Prime Minister Gandhi's first priority is controlling the extremists in Punjab.* [REDACTED] b (3)

[REDACTED] Punjab Chief Minister Barnala told New Delhi he is preoccupied with improving the security situation in Punjab and would prefer to delay meetings with the commission in charge of the transfers. Punjab security forces arrested more than 70 suspected Sikh extremists over the weekend, and New Delhi has sent additional paramilitary troops to the Pakistani border in an effort to block infiltration by Sikhs allegedly trained in Pakistan. Sikh extremists yesterday told Sikh moderates in Punjab they are willing to observe a one-month truce. [REDACTED] b (3)

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[REDACTED] Both Gandhi and Barnala may be using security issues as an excuse to avoid the no-win situation resulting from the territorial transfers. Gandhi risks losing political support with Hindus and his Congress Party if he appears to be giving too much to Barnala and the Sikhs. Barnala's political opponents in Punjab, meanwhile, are portraying the transfer as a sellout of Sikh interests to New Delhi.

[REDACTED] b (3)

Gandhi may have concluded that the crackdown on Sikh extremists, if successful, would strengthen Barnala's position and might in time allow Punjab to go through with the transfers awarded by the commission. [REDACTED]

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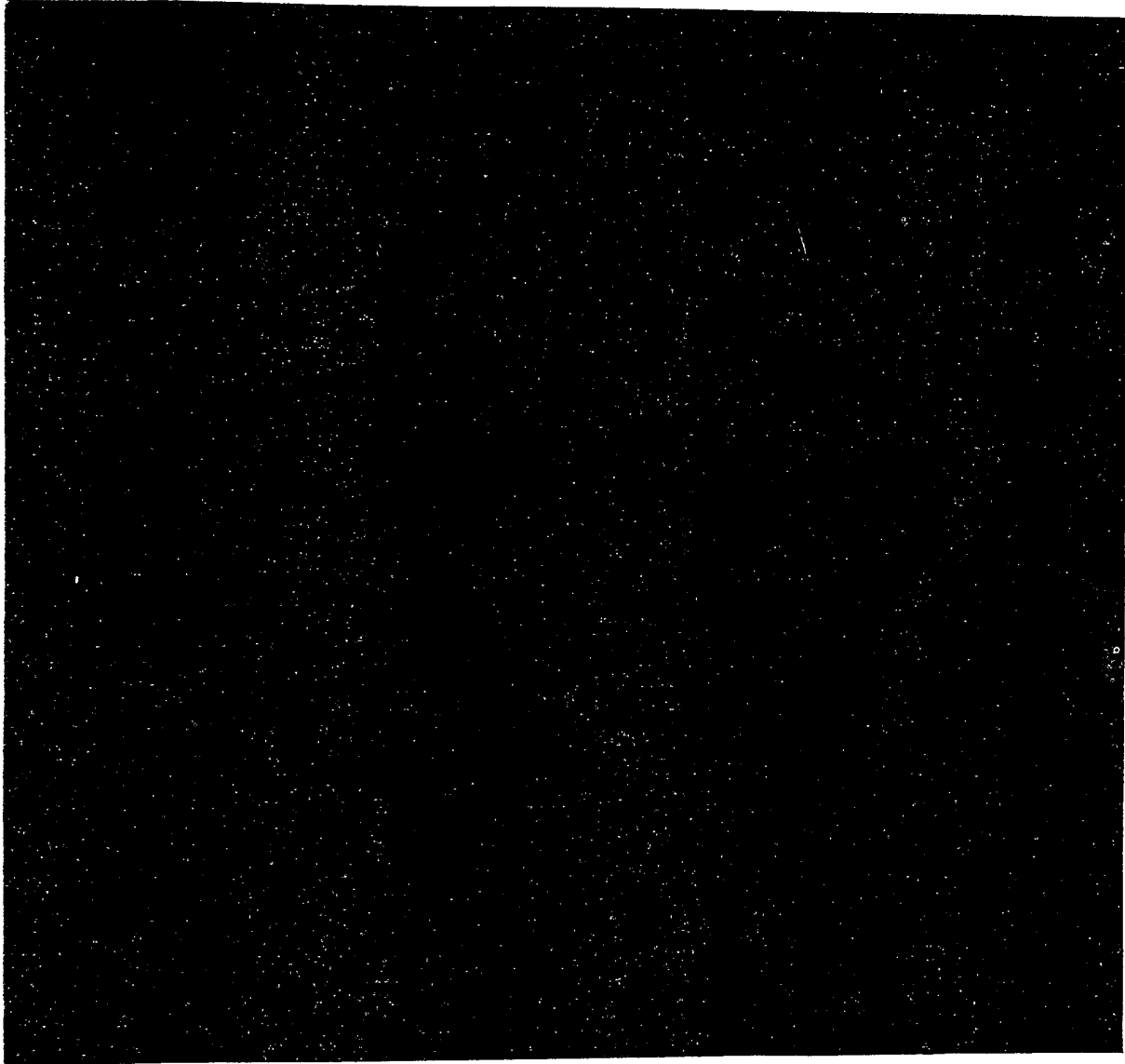
[REDACTED] b (3)

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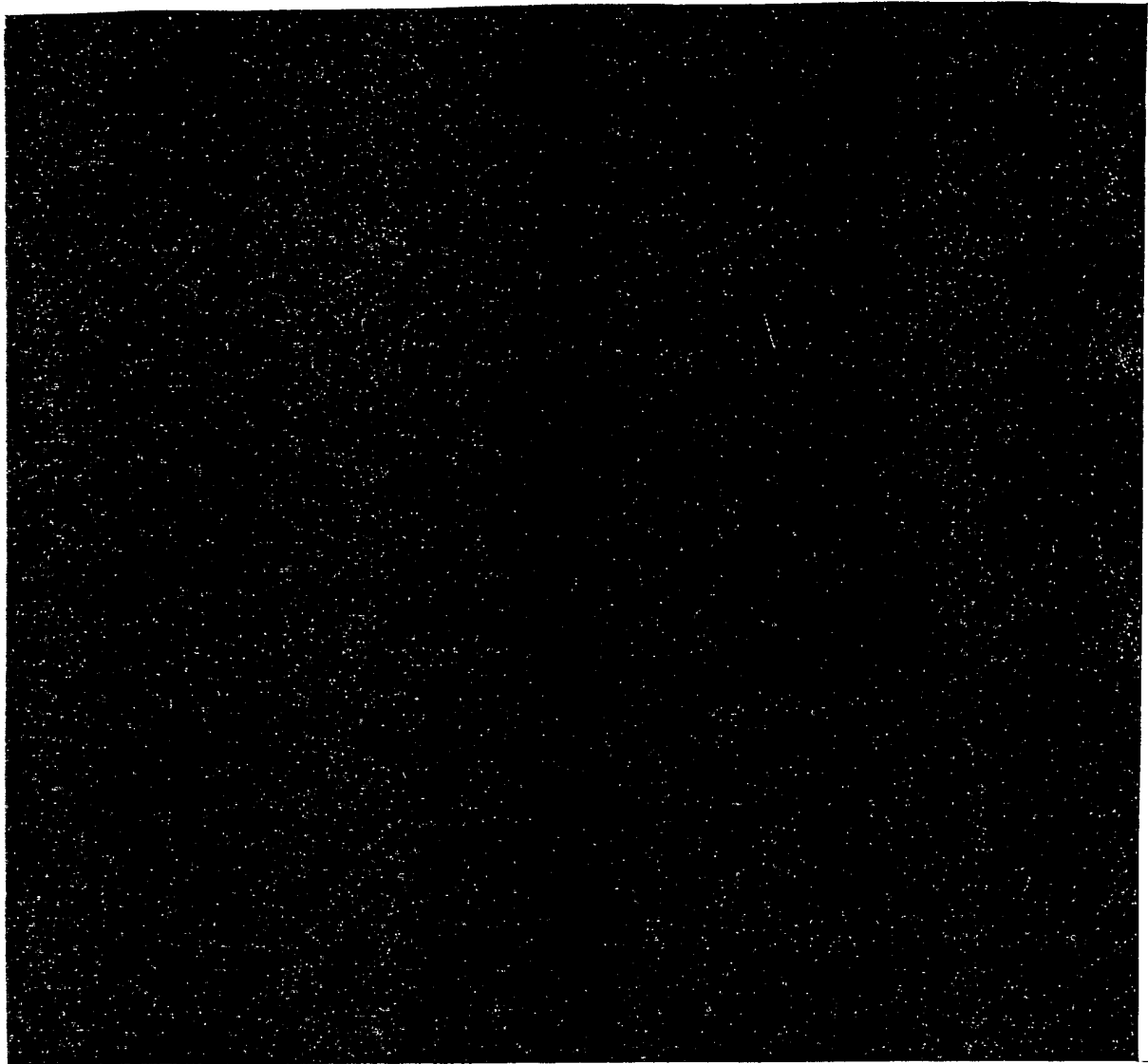
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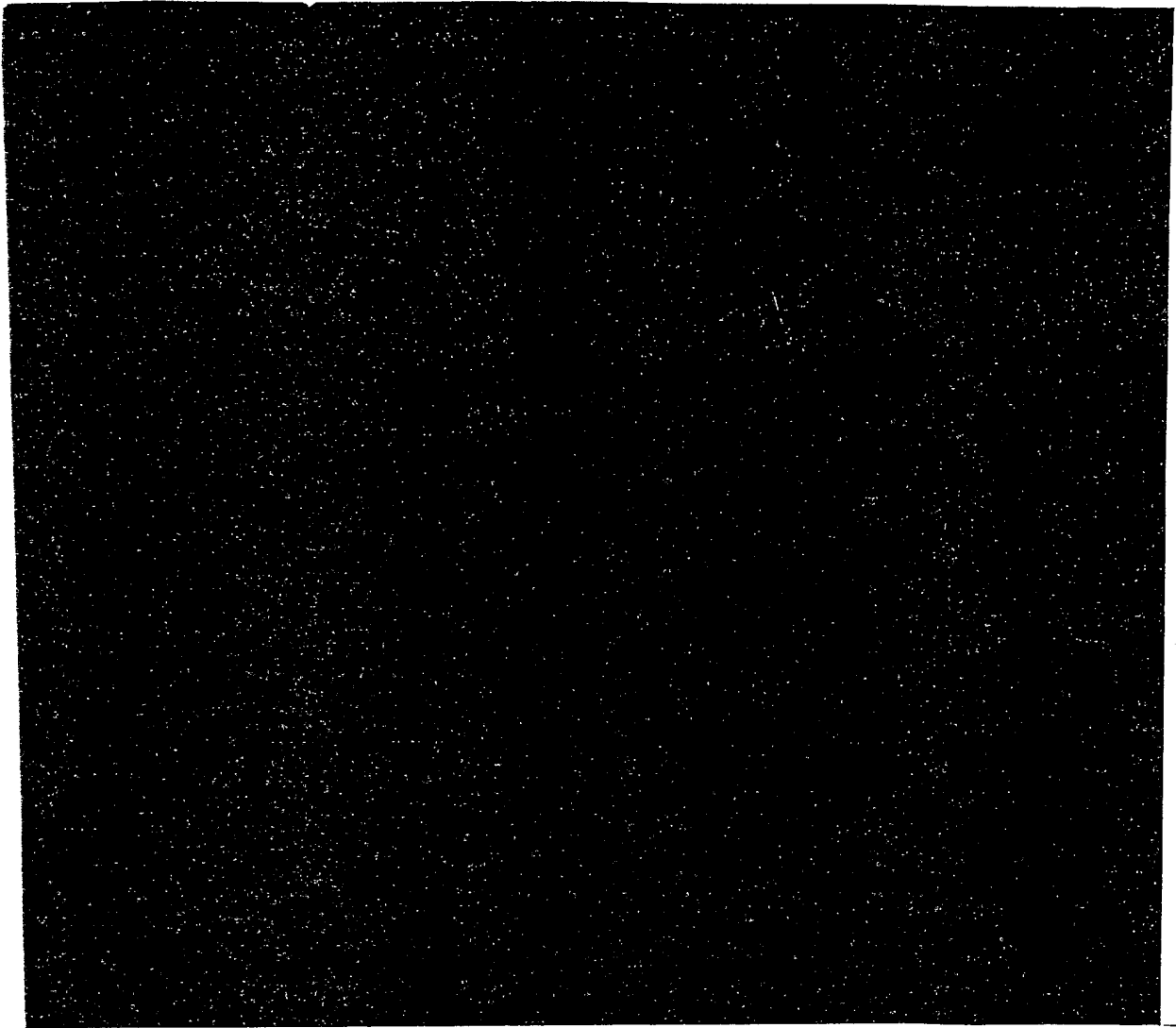
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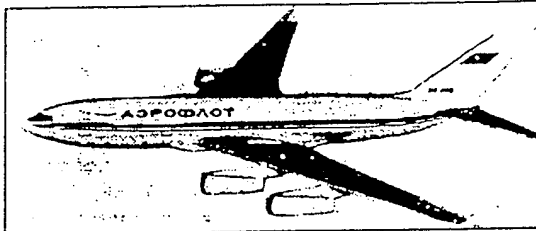
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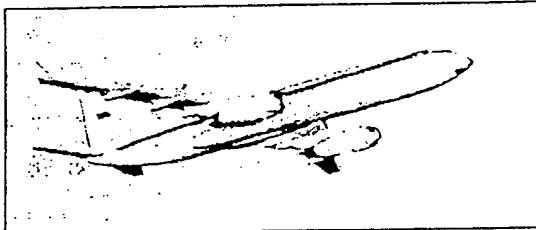
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### New Soviet Airliners



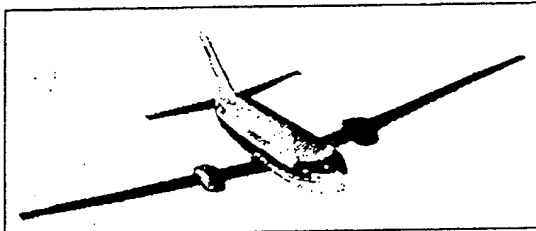
IL-96

Long range  
Passengers: 300  
Estimated IOC: 1991



TU-204

Medium range  
Passengers: 212  
Estimated IOC: 1992



IL-114

Short range  
Passengers: 60  
Estimated IOC: 1992

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#### USSR: New Airliner Programs

The Soviets are developing three new civilian transport aircraft they claim will be superior to Western designs. [REDACTED] b3  
The aircraft will emphasize efficiency and fuel economy and will incorporate technologies roughly equivalent to current Western state of the art—including digital avionics, sidestick controls, composite materials, and turbofan engines. [REDACTED]

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**Comment:** The new Soviet aircraft are unlikely to match the performance of those in the West or to offer much sales competition except in client states. Previous Soviet experience suggests the aircraft will not meet Moscow's performance claims, in part because the USSR has been slower than the West in introducing new manufacturing technologies. Nevertheless, the transports will probably give Aeroflot additional flexibility in augmenting military cargo aircraft in carrying troops and, to a lesser extent, equipment for a variety of domestic and international missions. [REDACTED]

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#### USSR: Minister of Machine Tool Industry Replaced

Nikolay Panichev has replaced Boris Balmont as Minister of the Machine Tool and Tool Building Industry. [REDACTED] b3  
Balmont, who had held the post since 1981, was said to have retired, although he is only 59. [REDACTED] b3

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[REDACTED] The change reflects General Secretary Gorbachev's determination to root out resistance to his industrial modernization program. He recently told [REDACTED] that the machine tool industry will serve as a model for other industrial sectors. The Ministry has come under public attack for low-quality production, and Premier Ryzhkov criticized Balmont last month for failure to support managerial reorganization intended to spur technological innovation and to raise efficiency. Balmont had also proposed performance targets for his Ministry that were less ambitious than national plans. Panichev is a strong proponent of rapid retooling and modernization of the machine tool industry. He favors the importation of Western robots and control systems for automated equipment. [REDACTED]

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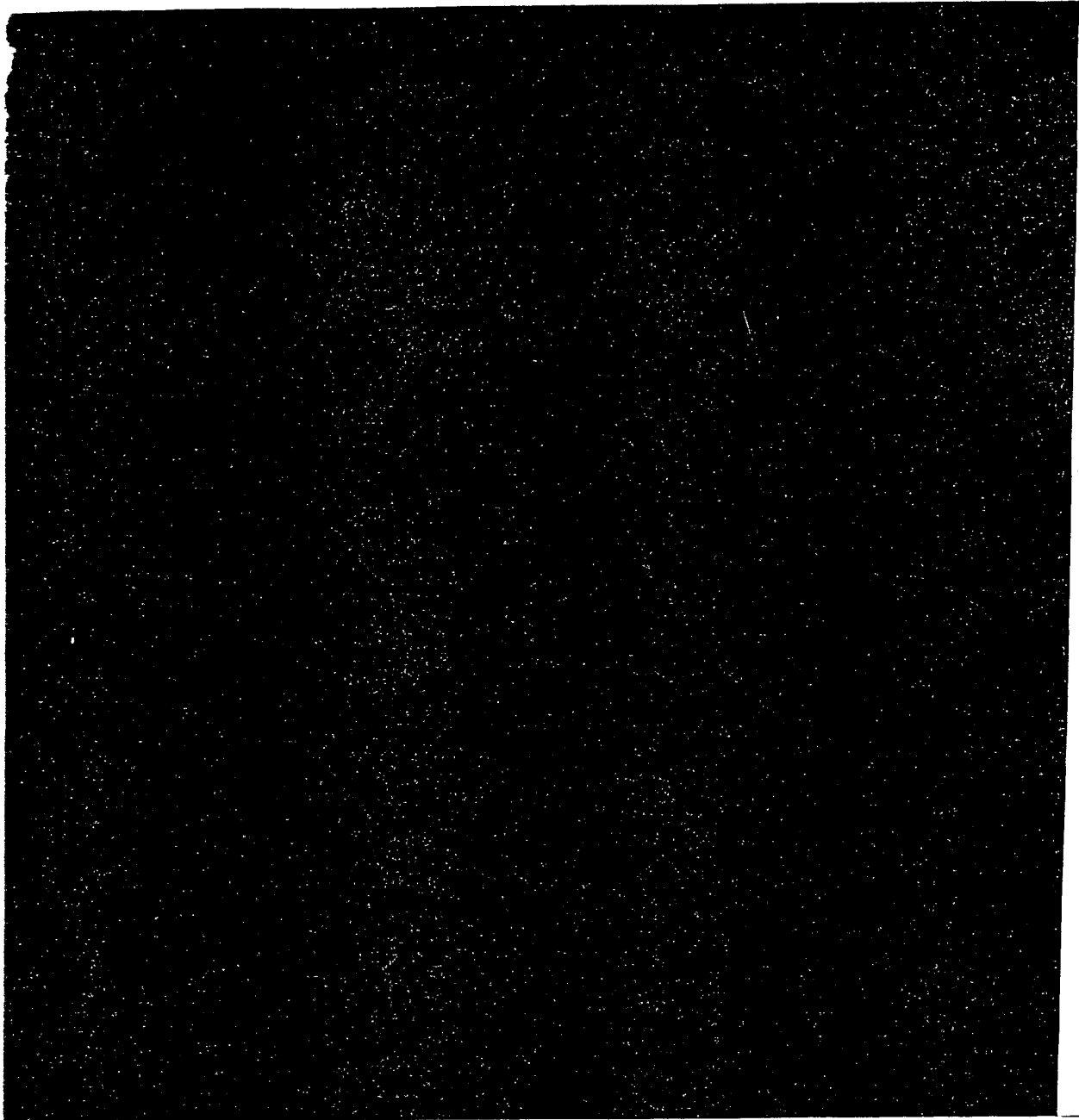
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# ZAMBIA-SOUTH AFRICA: Lusaka Improves Defenses

Zambia is improving defenses following recent South African raids on ANC targets and claims that new attacks are being planned against the ANC, rail lines, and roadways.

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the Zambian police and military have detained and questioned at least 30 Westerners suspected of collaborating with South Africa.

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Lusaka is convinced that further South African attacks against the ANC in Zambia are only a matter of time, and the fear of more raids has created a xenophobic climate.

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the defense moves are unlikely to provide a credible deterrent.

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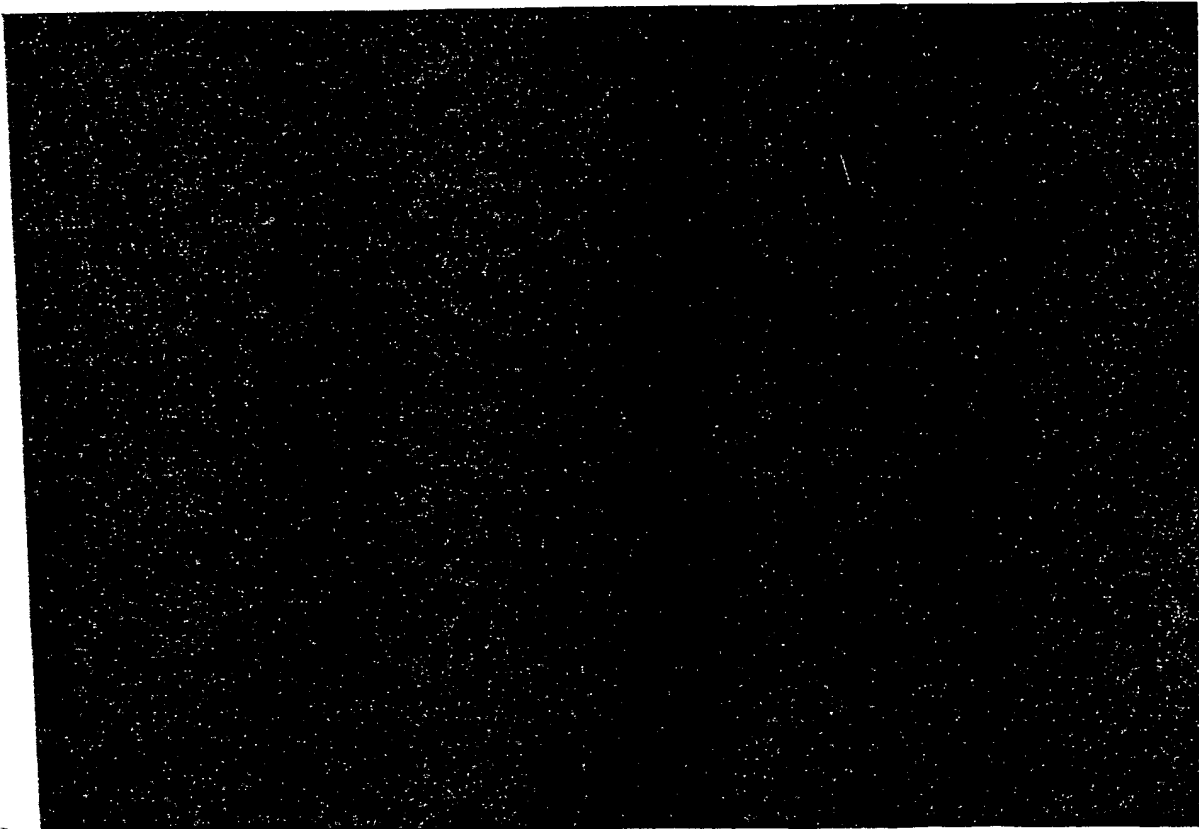
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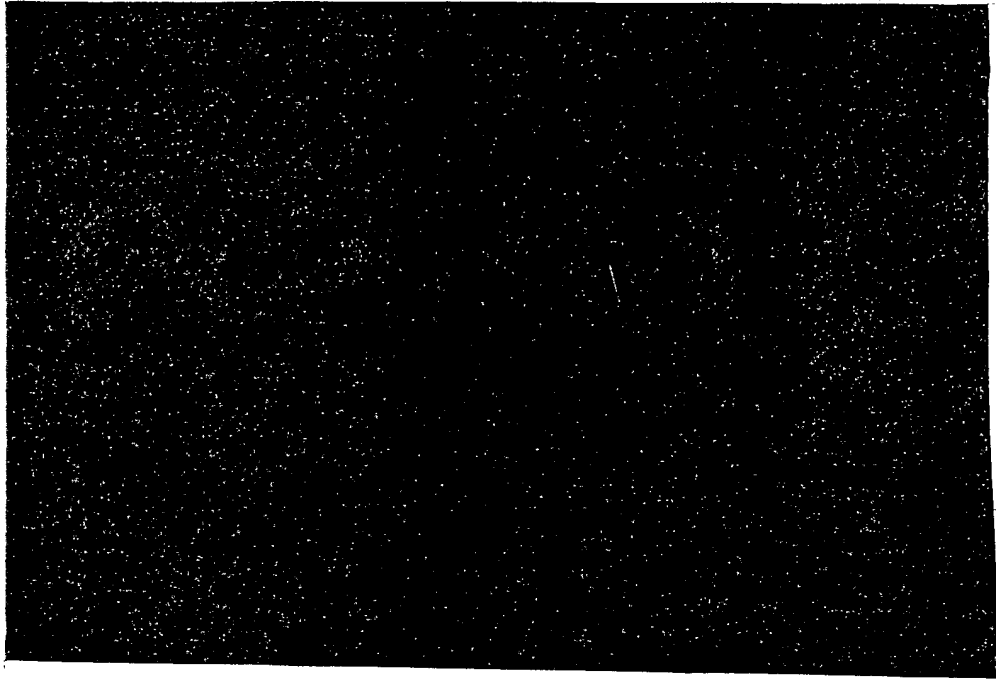
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In Brief

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— **Papua New Guinea** banning commercial, cable television pending government study . . . fears influence from US, other imported programs . . . ban clouds investment climate. b3

Middle East

— **Egyptian** President Mubarak beginning whirlwind trip to several European capitals today . . . arranged on short notice . . . expected to ask for increased economic aid and support in dealing with IMF on Cairo's severe debt problems. b3

— **Saudi** oil production increasing in July to more than 5.5 million b/d . . . prices under netback formulas below \$9 per barrel for Arab Light . . . OPEC anger over Saudi moves may dampen prospects for production accord at meeting next week. b (3)

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Americas

— Colombia's National Liberation Army guerrillas have bombed major pipeline near Venezuelan border . . . second attack on oil facilities this month . . . continued attacks could undermine hopes of new government to attract foreign investment. [REDACTED]

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[REDACTED]

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[REDACTED]

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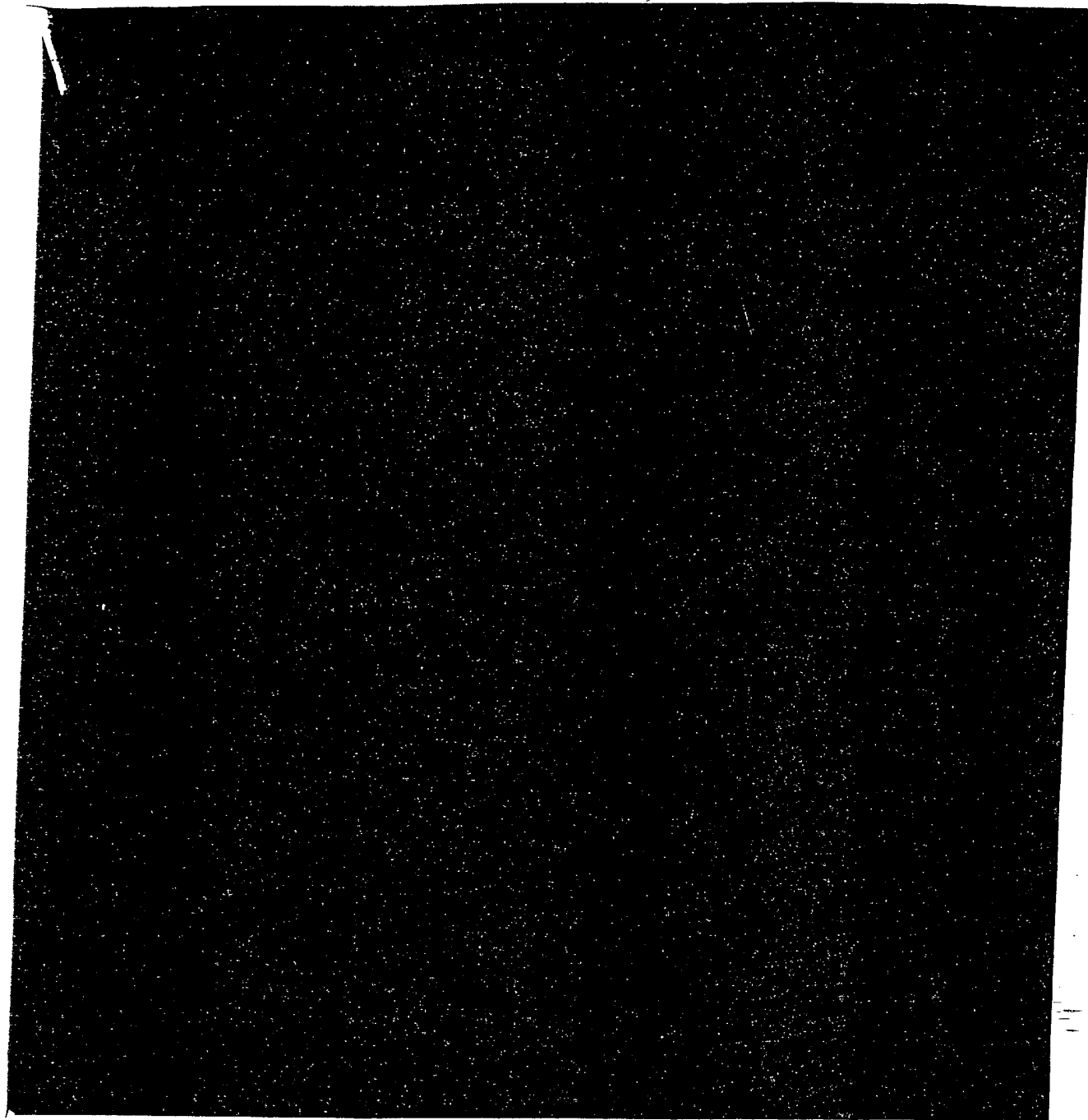
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### Special Analysis

IRAQ:

#### Baghdad Pressing Oil Export Projects

*Iraq is steadily rebuilding its oil export capabilities despite domestic financial shortages, the world oil glut, and Iran's military pressure—including a recent attack on the Karkuk oilfield. Baghdad has taken exceptional measures to defend its new facilities from military threats and to continue the projects in hopes of higher oil earnings after they are completed.*

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The key to Iraq's strategy is the expansion of export pipelines. Facilities added to the Iraq-Turkey line in 1984 and completion of a link to Saudi Arabia's East-West pipeline to Yanbu al Bahr in 1985 already have more than doubled Iraq's export capacity compared with levels in the early years of the war.

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Iraq also is developing several oilfields to supply this export system and meet increasing domestic needs. The East Baghdad and Safiyah fields are scheduled to begin producing in the next two years, according to industry sources.

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#### Financing the Program

The economic problems that have led Iraq to cut imports and miss debt payments are unlikely to prevent the rebuilding of the oil export system. Construction probably will be funded by foreign credits, bartered oil as a downpayment, and Iraqi currency to cover local costs. Given the weakness in the world's oil construction and services market, Baghdad is likely to find contractors willing to accept its repayment terms.

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Iraq's ambitious rebuilding effort will rely heavily on foreign companies. [REDACTED]

firms have had prime roles in the design and construction of the new export lines. East European countries and the USSR have long been active in the Iraqi oil sector, especially in the south. Although US companies probably will participate in some new projects, particularly technology-dominated exploration work, high project financing costs will put such firms at a disadvantage in competition for larger construction projects. [REDACTED]

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#### Outlook

Even if the war continues, Baghdad is likely to push ahead with its rebuilding program. By the end of the decade, export capacity probably will reach 3 million b/d—60 percent of the prewar level. Baghdad probably will market oil aggressively as export capability increases. Such marketing efforts, however, probably will require extensive price discounts that could strain already tender relations with OPEC. [REDACTED]

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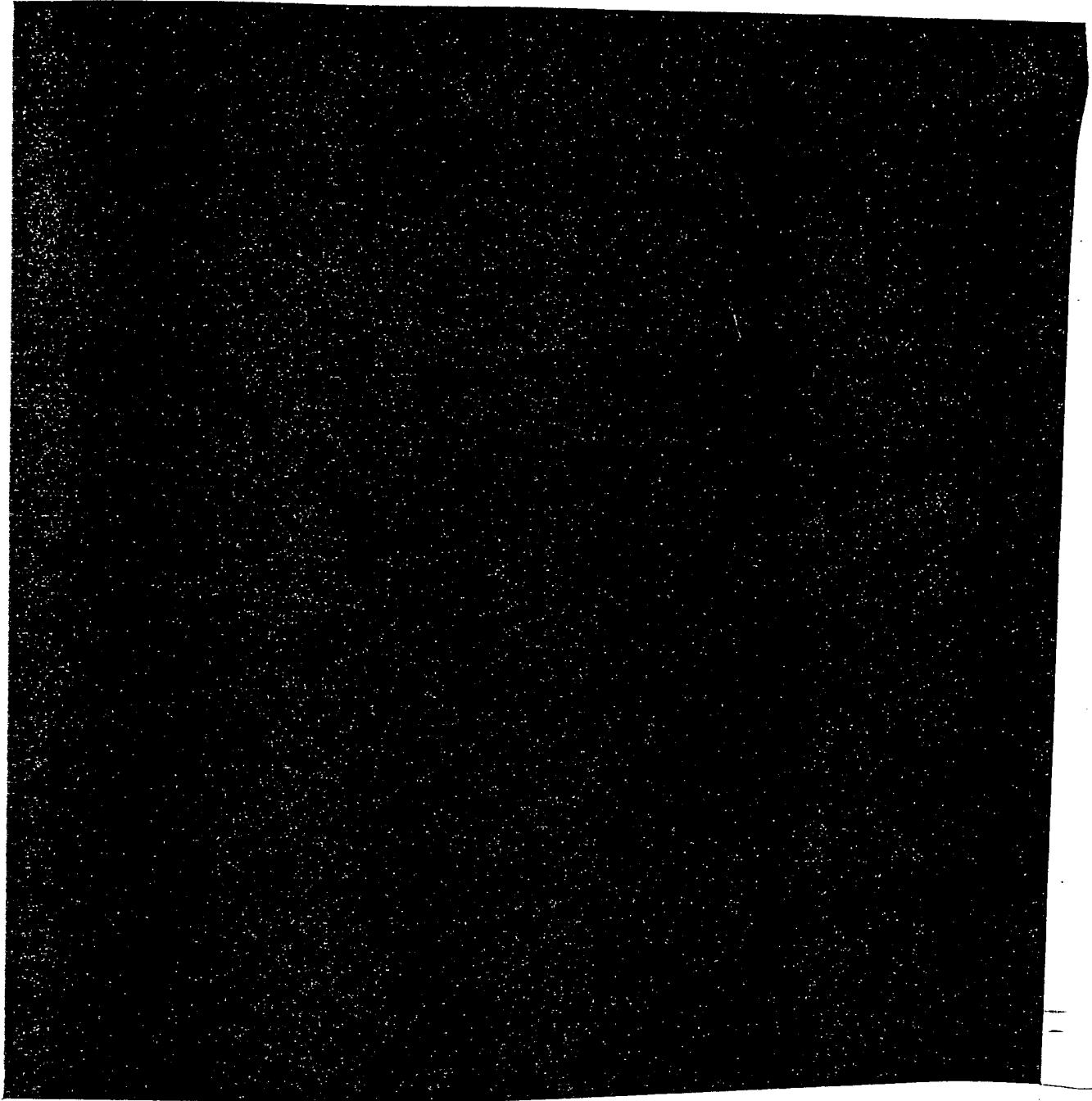
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### Special Analysis

#### SYRIA-LEBANON: Assad's Next Move

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*Syria sent troops into West Beirut primarily to counter the growing number of Palestinian fighters there loyal to PLO chief Arafat. The Syrian force— [REDACTED] —is not enough to stop the factional fighting in West Beirut, however, and Damascus probably is prepared to increase the number of troops if necessary to rein in or expel the Palestinians or to put pressure on the Christians in East Beirut.* [REDACTED] B3

Damascus has become increasingly alarmed by the growing number of PLO fighters returning to Lebanon. [REDACTED]

61, b3  
The Syrians have been concerned for some time over developing cooperation between Arafat loyalists and the Iranian-backed radical Shia Hizballah. They have accused the Druze of helping the PLO return to Beirut and are worried that even President Gemayel is trying to establish a relationship with the Palestinians. [REDACTED] B3

The Syrians are trying to bottle up Palestinian fighters in the refugee camps and to cut off their supplies. They have stationed troops along the coastal road and at the Khaldah junction to block additional fighters and weapons from infiltrating through the Druze port at Khaldah. Syrian control of the airport road severely restricts the movement of Palestinians to and from the camps. The Syrian forces want to avoid fighting the PLO directly but have already been attacked sporadically and are too few to impose permanent stability in the city. [REDACTED] B3

#### Possible Future Deployments

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The other major infiltration route for Palestinians returning to Lebanon is through Sidon. [REDACTED] B3

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[REDACTED]

Damascus probably is not prepared to commit more than another few hundred troops to its current effort in Beirut.

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[REDACTED]

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Damascus has been reluctant to take on the Christians directly, and Syrian troops are unlikely to enter East Beirut.

[REDACTED]

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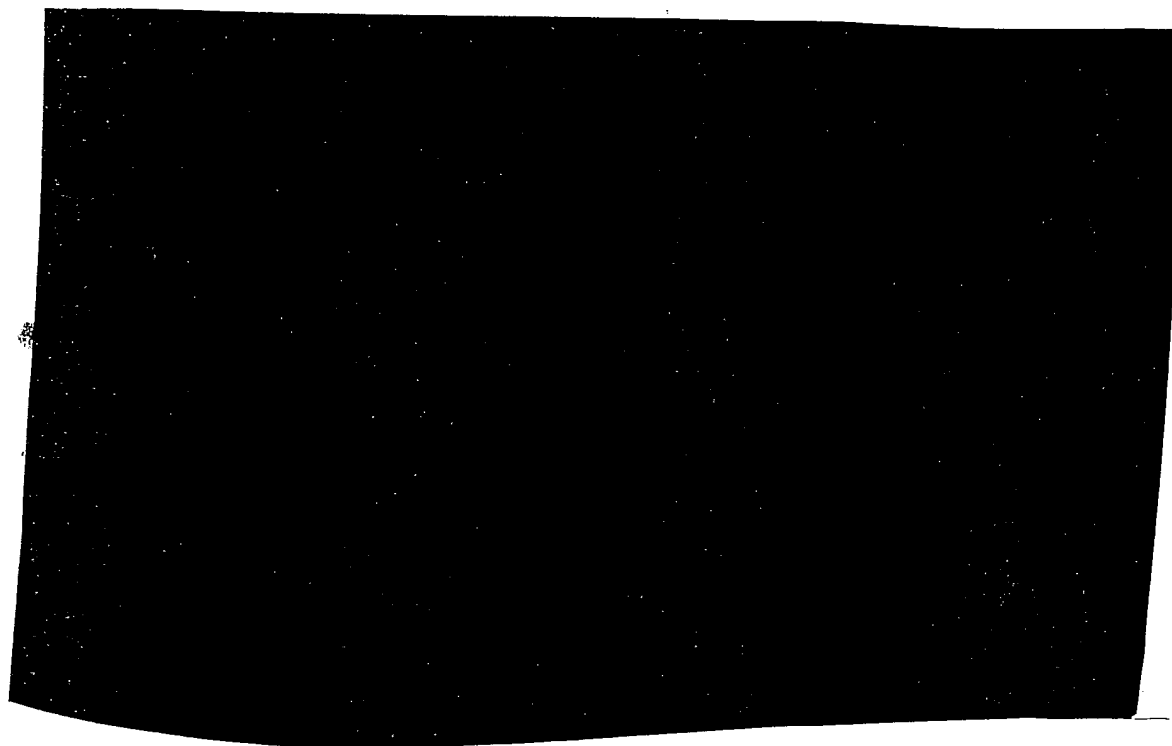
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### Special Analysis

#### PALESTINIANS:

##### Lull in Abu Nidal Attacks

*A recent pause in terrorist operations by the Abu Nidal group is probably the result of several factors: reluctance of Syria and Libya to appear implicated in such operations, the group's perception of improved security in Western Europe, and the failure of King Hussein's peace initiative. The organization is probably using this period to reevaluate tactics, tighten security, train new members, and plan future operations. It also may be considering whether to confine its activities to support operations for other groups for a while and reduce the scale of its own operations.*

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The group has staged no attacks since those at the Rome and Vienna airports last December.

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##### Reasons for Reduced Terrorism

The US bombing of Libya last April and international publicity about Syria's terrorist connections have almost certainly forced Abu Nidal to reevaluate the consequences of new attacks.

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The group staged most of its attacks last year in Western Europe and some of its members are still jailed there. The strength of its network in Western Europe, its record of successes, and the wide selection of targets make it unlikely Abu Nidal will shut down operations there.

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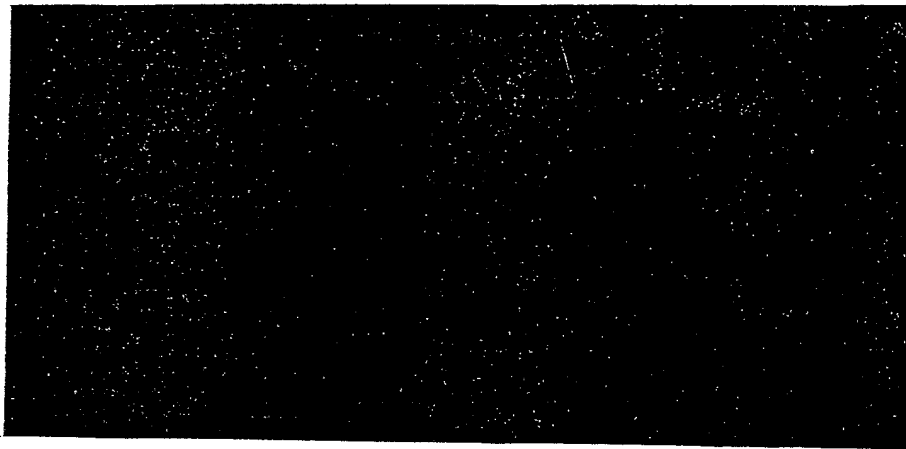
The group may believe that, with the breakdown of efforts by King Hussein and PLO leader Arafat to reach a political agreement on negotiations with Israel, it achieved its major objective last year. Amman's current efforts at rapprochement with Syria have also helped make Jordan a less likely target. ~~TOP SECRET~~

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#### Future Strategy

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## Grasshopper and Locust Plagues



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### Special Analysis

AFRICA:

#### Severe Insect Plagues Threaten

*Good rainfall in 1985 and 1986 has provided excellent breeding conditions for grasshoppers and locusts in Africa—posing the most serious insect threat to the continent in 60 years. The situation is especially critical in Sudan, where immediate action is needed to stem the continental spread of two locust species and to prevent severe damage to Sudanese crops.* b3

b3 [redacted] has declared an emergency because of possible plagues of African migratory locusts spreading east and south of **Sudan** and of desert locusts ranging east and west. Despite earlier control efforts in Sudan, migratory locusts have been sighted in **Uganda, Kenya, and Ethiopia**, as well as in **South Africa**—the first there in 45 years. **Burundi, Uganda, Tanzania, Malawi, and Mozambique** have reported sightings of red locusts, as has **Kenya**, for the first time in 50 years. b3

b3 [redacted] the Senegalese grasshopper is threatening **Burkina Faso** with calamity. Elsewhere in western Africa, **Niger, Mali, Senegal, and Mauritania** are also in danger. Although the problem is presently under control, favorable rains could cause the insect populations to increase quickly. b3

In southern Africa brown locusts are at a 20-year high in both South Africa and **Botswana**. Despite extensive spraying, control has been poor. Major agricultural areas are still unaffected, but with favorable rains locust populations could increase and spread next year to **Zimbabwe, Mozambique, Zambia, and Angola.** b3

International control efforts appear to be coordinated in western Africa, but in eastern Africa countermeasures are proceeding slowly. Unless control measures begin in Sudan by next month, spread of the migratory and desert locusts is highly probable. Damage in surrounding countries could be significant, and in Sudan the loss could approach that of past plagues—as much as one-third of the first year's crop and more in subsequent years. If uncontrolled, a locust plague can last nearly 15 years and could be a more serious crisis than the recent famine. b3

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